

Message Text

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ACTION DLOS-09

INFO OCT-01 ARA-10 ISO-00 SS-15 NSC-05 CIAE-00 INR-10
NSAE-00 ACDA-12 AGRE-00 AID-05 CEA-01 CEQ-01
CG-00 COME-00 DODE-00 DOTE-00 EB-08 EPA-01 SOE-02
DOE-15 FMC-01 TRSE-00 H-01 INT-05 IO-13 JUSE-00
L-03 NSF-01 OES-09 OMB-01 PA-01 PM-05 SP-02
ICA-11 /148 W

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R 251545Z JUL 78
FM AMEMBASSY BRASILIA
TO SECSTATE WASHDC 8390
INFO AMCONSUL RIO DE JANEIRO
AMCONSUL SAO PAULO

C O N F I D E N T I A L BRASILIA 5790

E.O. 11652: GDS
TAGS: PLOS, BR
SUBJECT: LOS: AMBASSADOR RICHARSON'S CONVERSATION WITH
BRAZILIAN FOREIGN MINISTER SILVEIRA

1. AMBASSADOR RICHARSON, ACCOMPANIED BY AMBASSADOR SAYRE,
OTHER EMBASSY OFFICERS AND JAMES, CALLED ON FOREIGN MINISTER
SILVEIRA JULY 18 FOR A GENERAL DISCUSSION WHICH COVERED A
NUMBER OF ECONOMIC ISSUES AS WELL AS LOS.

2. RICHARSON OPENED BY OBSERVING THAT HIS TALKS ON LOS
WITH BRAZILIAN OFFICIALS HAD BEEN USEFUL AND THAT HE HOPED
IT WOULD BE POSSIBLE TO MAKE PROGRESS AT THE RESUMED SESSION IN
NEW YORK. SILVEIRA IMMEDIATELY RAISED THE QUESTION OF TRANS-
FER OF TECHNOLOGY. HE SAID THAT THE SO-CALLED BRAZIL CLAUSE
HAD BEEN THE PRODUCT OF DISCUSSIONS BETWEEN AMBASSADOR ALDRICH
AND SERGIO THOMPSON-FLORES. RICHARDSON REPLIED THAT IT WAS OF
COURSE TRUE THAT THE U.S. AND BRAZIL HAD DISCUSSED THE PROBLEM,
BUT IT HAD BEEN UNDERSTOOD THAT ALDRICH COULD NOT PROMISE THAT
WHAT HE AND THOMPSON-FLORES WORKED OUT WOULD BE ACCEPTABLE TO
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RICHARDSON OR THE U.S. GOVERNMENT. HE THEN SPELLED OUT WHY WE
HAVE PROBLEMS WITH THE BRAZIL CLAUSE, STATING THAT WE MUST SEEK
TO CHANGE IT. IN REPLY TO SILVEIRA, RICHARDSON SAID IT WAS NOT
SIMPLY A QUESTION OF REDRAFTING; IT WAS A MATTER OF PRINCIPLE.
HE HAD TOLD THE U.S. SEABED MINING INDUSTRY THAT IT WOULD BE
NECESSARY FOR THE U.S. TO AGREE TO THE SALE OF TECHNOLOGY TO THE
ENTERPRISE ON FAIR COMMERCIAL TERMS, SUBMITTING ANY DISPUTE TO

COMMERCIAL ARBITRATION. BUT THE BRAZIL CLAUSE WOULD GO MUCH FURTHER THAN THIS. THE U.S. COULD RATIONALIZE AN OBLIGATION TO TRANSFER TECHNOLOGY TO AN INTERNATIONAL BODY BUT IT WAS GOING TOO FAR TO EXTEND THIS CONCESSION TO A DEVELOPING COUNTRY, ESPECIALLY IN THE CASE OF AN ADVANCED DEVELOPING COUNTRY. IT DID NOT SEEM LIKELY, IN ANY CASE, THAT BRAZIL WOULD GET ANY PRACTICAL BENEFIT FROM THE BRAZIL CLAUSE BECAUSE SHE PROBABLY WOULD NOT BE WILLING TO GO IT ALONE IN DEVELOPING A MINE SITE. IT WAS FAR MORE PROBABLE THAT IF BRAZIL DID ENGAGE IN MINING, SHE WOULD DO IT THROUGH JOINT VENTURES, WHICH WOULD ENSURE ACCESS TO THE REQUISITE TECHNOLOGY. HE NOTED THAT SOME LDC'S, E.G. TRANZANIA, OPPOSED THE BRAZIL CLAUSE, AND HOPED BRAZIL WOULD DROP IT. FURTHER, THE U.S. SENATE WOULD NEVER ACCEPT IT.

3. SILVEIRA SAID IT IS HARD FOR BRAZIL NOT BE ABLE TO COUNT ON ANYTHING IN THE WAY OF TECHNOLOGY, "WE NEED ASSURANCE THAT WE WILL GET TECHNOLOGY", AND THERE SHOULD BE NO PRECEDENT FOR DOING WHAT THE BRAZIL CLAUSE STIPULATED. AMBASSADOR LINDENBERG SETTE POINTED OUT THAT THE SEABED IS THE COMMON HERITAGE OF MAN KIND. IF A PRIVATE COMPANY EXPLOITS THE COMMON HERITAGE, THERE SHOULD BE A FAIR DISTRIBUTION OF COSTS AND ADVANTAGES. RICHARDSON AGREED THAT TECHNOLOGY SHOULD BE TRANSFERRED TO THE INTERNATIONAL COMMUNITY, BUT INSISTED THAT THE BRAZIL CLAUSE GOES MUCH FURTHER, PROPOSING MANATORY TECHNOLOGY TRANSFER TO ANY INDIVIDUAL COUNTRY.

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4. SILVEIRA ASSERTED THAT THE BRAZIL CLAUSE WAS AN IDEA DEVELOPED IN DISCUSSIONS WITH THE PREVIOUS U.S. ADMINISTRATION, BUT RICHARDSON SAID HE HAD NOT HEARD ABOUT THE IDEA UNTIL THE GENEVA SESSION. SILVEIRA THEN SAID BRAZIL WOULD NOT PRESS THE U.S. ON THE CLAUSE; BUT WOULD EVALUTE THE SITUATION. CONTINUING, SILVEIRA URGED THAT THE U.S. AND BRAZIL MAKE AN EFFORT TO WORK OUT THE ISSUE OF TRANSFER OF TECHNOLOGY OTHERWISE "WE WILL NEVER HAVE A TREATY". HE PROMISED TO SEE IF BRAZIL COULD WORK OUT SOME OTHER IDEA, STRESSING THAT HIS GOVERNMENT WAS PREPARED TO PAY FOR TECHNOLOGY. HE PREDICTED THAT THE ENTERPRISE WON'T GET INTO MINING; IT IS ONLY A "SUMBOL OF UNDER- STANDING". THEREFORE DEVELOPING COUNTRIES MUST HAVE SATISFACTION ON TECHNOLOGY TRANSFER. IF BRAZIL CAN GET SATISFACTION, SOMETHING COULD BE WORKED OUT.

5. LINDENBERG SETTE SAID THE U.S. REACTION TO THE BRAZIL CLAUSE REALLY SURPRISED THE BRAZILIANS. THE U.S. DESCRIPTION OF WHAT THE BRAZIL CLAUSE MEANS MAKES IT SOULD EXTREME. IF THE U.S. STAND WERE CARRIED TO ITS LOGICAL CONCLUSION, SEABED MINING WOULD NEVER GO FORWARD. SILVEIRA SAID BRAZIL WAS TIRED OF BEING POINTED OUT AS UNCOOPERATIVE. THEY WERE MODERATES IN THE GROUP OF 77 AND HAD ALWAYS TRIED TO KEEP TO THE MIDDLE OF THE ROAD.

"IF PUSHED, "SILVEIRA SAID WITH SOME IRRITATION, THEY WOULD WITHDRAW THE CLAUSE AND START FROM SCRATCH. RICHARDSON RIETERATED THT THE U.S. ACCEPTS THE OBLIGATION TO TRANSFER TECHNOLOGY FOR A FAIR PRICE BUT IT WAS A QUESTION OF THE SCOPE OF THE OBLIGATION, WHICH SHOULD BE LIMITED TO THE ENTERPRISE.

6. SILVEIRA AGAIN SAID THE ENTERPRISE WILL NOT GET INTO MINING. ANYWAY, IF IT DID, ITS OPERATIONS WOULD UNBALANCE THE MARKET. HE PROPOSED TO STUDY THE PROBLEM PERSONALLY AND ASK GUERRIERO (NOW AMBASSADOR IN PARIS) TO HELP IN THE STUDY SINCE HE HAD DEVELOPED THE IDEA ORIGINALLY.
SAYRE

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